



Department of Education
FMS Phase IV Production Readiness Review

Production Readiness Review (PRR)

FMS PHASE IV
AR/AP/GL
August 28, 2002



Business Case

FMS (Financial Management System) Phase IV AR/AP

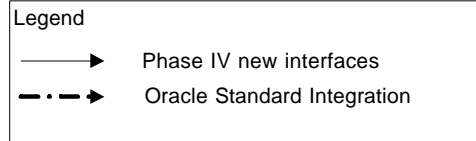
FMS Phase IV is part of the overall FSA Modernization Partner effort. Phase IV AR/AP will enable the processing of Lender Payments and the management of Lender Receivables . The FMS AR/AP roll-out will provide the following capabilities:

- Enable Lenders to receive electronic or check payments within Prompt Payment Act guidelines
- Enable FMS to electronically receive and process Lender payments
- Provide timely notification to the Community of expected payments and balances due
- Enable the assessment of finance charges for all delinquent balances



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FMS Phase IV AR/AP Component Schematic

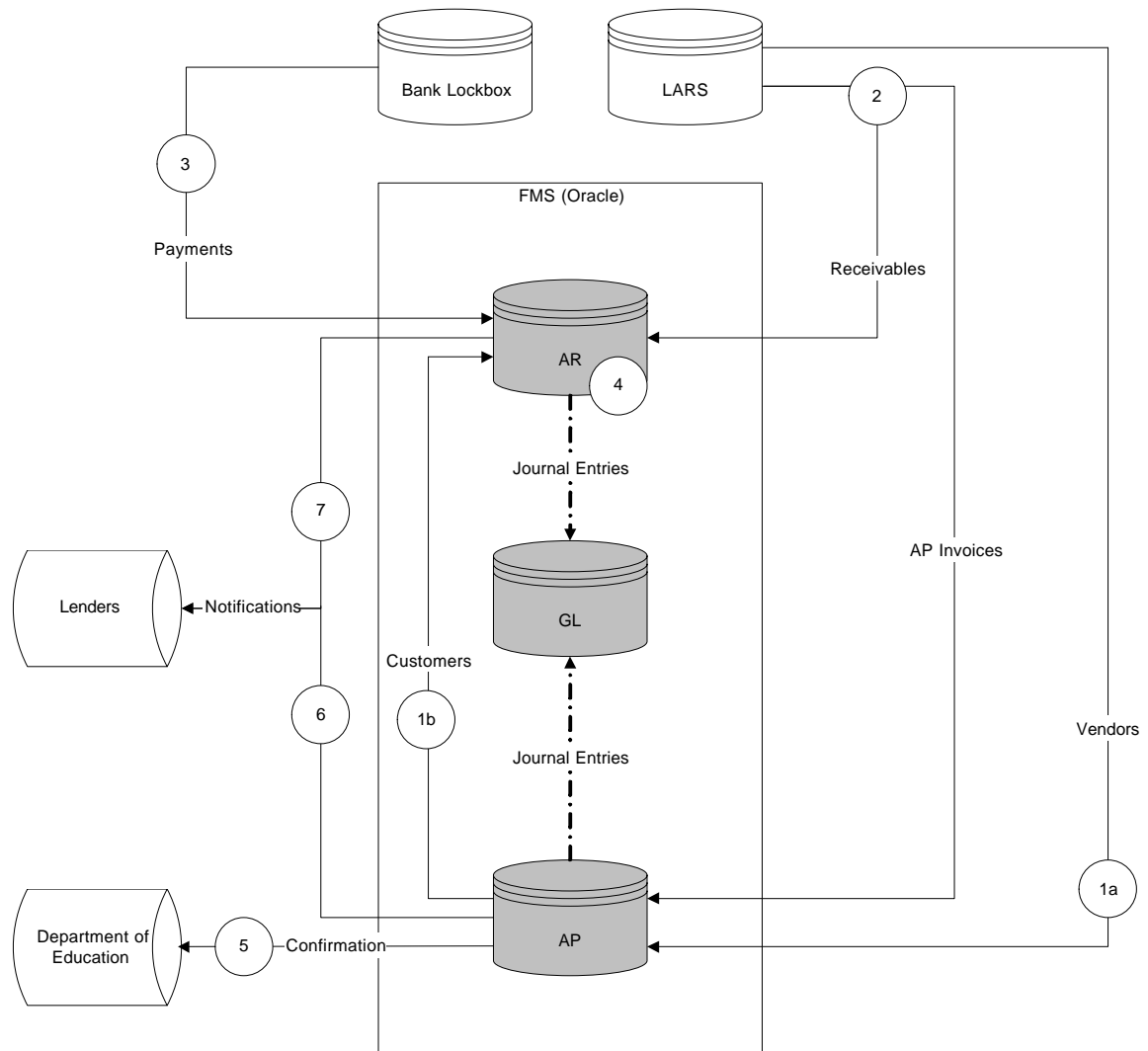


Work Unit Cross Reference

| | |
|---------|--------------------------------|
| 1a & b. | LaRS Vendor/Customer Interface |
| 2. | LaRS Invoice Interface |
| 3. | LaRS Lockbox Receipt Interface |
| 4. | Receivable Posting Reclass |
| 5. | Payment File Creation |
| 6. | Payment Notification |
| 7. | Receivable Notification |

Reports:

| | |
|----|----------------------------------|
| 1. | Lender Monthly Activity Report |
| 2. | Lender Quarterly Activity Report |
| 3. | Payment Detail Report |





Summary of Approach

Planning and IPT Set-Up: This effort involved creating the IPT structure to support all stages of the FFEL Lender Reporting System Redesign project. Activities such as organizing the team, conducting a kick-off, establishing key meetings, and finalizing the plans for each phase of work occurred in this stage.

Requirements and Design: Requirements gathering involved working with subject matter experts to document the functionality required by the FFEL community and FMS. This included the creation of a detailed requirements matrix and accounts matrix that served as the blueprint for the design effort. Functional and technical designs were then created using both matrices as a foundation.

Development: During this stage, the development team leveraged specifications captured during the design stage to build the required LARS, A/P, A/R, and G/L functionality, including the configuration of FMS A/P, A/R, and G/L.

Testing: Unit, system, integration, FSA internal user acceptance testing, and external Lender/Servicer user acceptance testing were performed to ensure that the changes made to the system software provided appropriate capabilities for the FFEL community as specified in the design stage. A major aspect of the testing involved working closely with FSA system users to confirm the requirements for the FFEL community had been fulfilled.

Implementation and Deployment: This stage of work involves deploying the functionality and technology required to enable FSA, Lenders and Servicers to operate in an automated manner consistent with the functional and technical requirements.



Schedule Overview

| | | | |
|---|-----|--------------------------|--------|
| • Project Kickoff | FMS | October 1 | , 2001 |
| • Requirements Gathering and Design | FMS | November 1 – May 31, | 2002 |
| • Development and Unit Test | FMS | May 15 – July 22, | 2002 |
| • System Test | FMS | June 3 – August 2, | 2002 |
| • Integration Test | | July 15 – In Process | |
| • User Acceptance Test (Internal) | | August 12 – August 28 | |
| • Performance Test | | August 12 – September 6, | 2002 |
| • Pre PRR | | August 26, | 2002 |
| • PRR | | August 28, | 2002 |
| • 1 st Deployment (Internal) | | September 9, | 2002 |
| • 2 nd Deployment Review Session | | September 23, | 2002 |
| • 2 nd Deployment (Internal) | | September 30, | 2002 |
| • External User Deployment | | October 1, | 2002 |



Testing Summary

Unit Testing: ensured that the logic programmed met the functional requirements specified in the FFEL Lender Reporting System Application Design Document and FMS Business Requirements. This testing was completed in the development environment to test each individual piece of the solution.

System Testing: LaRS and FMS development team conducted separate tests of their respective systems to ensure that the individual components function properly when integrated. Test scripts and data sets were developed and used to validate requirements, business processes and workflow. During system testing issues were logged into an Access SIR database, corrected, and retested. Daily meetings were held to discuss SIRs and progress.

Integration Testing: LaRS and FMS development team coordinated a thorough end to end test of all LaRS and FMS component to ensure that the entire system functioned properly when integrated. Test scripts and data sets were developed and used to validate requirements, business processes and workflow. During integration testing issues were logged into an Access SIR database, corrected, and retested. Daily meetings were held with IV&V to discuss SIRs and progress.

User Acceptance Test: FSA FP, FSA CFO, Lender and Servicer testing representatives had the opportunity to verify that the system satisfied requirements as defined in the design phase. Scripts and data for user acceptance testing were created by the LaRS and FMS test teams and executed by FSA, Lender and Servicer representatives.



Testing Summary

The following summarizes which team conducted each test phase:

| | Test Teams | | |
|-----------------|-------------|-------------|------------------------|
| Test Phase | Development | Functional* | Technical Architecture |
| Unit | X | | |
| System | X | X | |
| Integration | | X | |
| User Acceptance | | X | |
| Performance | | | X |

* Test Team included members of FSA CFO, FSA FP, LaRS and FMS for the User Acceptance testing phase.



Testing Summary Continued - FMS

- During FMS system testing 17 issues were logged and resolved prior to beginning integration testing
- Summary of Test Incidents logged during system testing:

| | Status | | | |
|------------|--------|--------|-------------|-------|
| Test Phase | Open | Closed | Enhancement | Total |
| System | 0 | 17 | 0 | 17 |

- Conclusion: Successfully completed system testing

Closed: Error has been resolved and retested

Open: Error has not been resolved

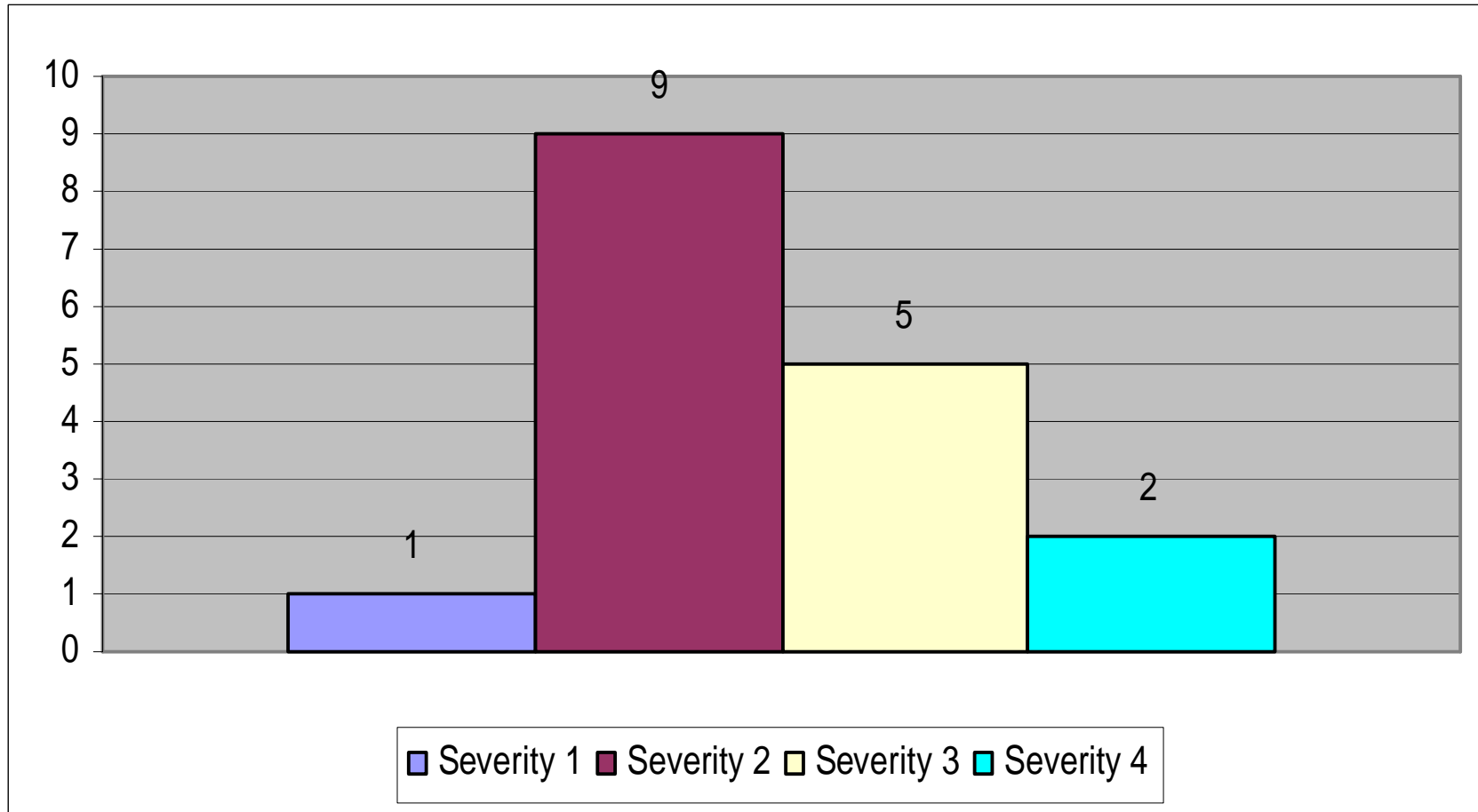
Enhancement: Feature executes correctly, but minor cosmetic changes needed

Client Clarification: Feature executes correctly, but required user clarification..



Testing Summary Continued

FMS System Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued – LaRS/FMS

- During integration testing 62 issues were logged and resolved prior to beginning user acceptance testing
- Summary of Test Incidents logged during integration and user testing:

| | Status | | | | |
|-----------------|--------|--------|-----------|--------|----------------|
| Test Phase | Open | Closed | Duplicate | Retest | Total by Phase |
| Integration | 2 | 58 | 0 | 2 | 62 |
| User Acceptance | 1 | 44 | 11 | 34 | 90 |
| Total | 3 | 102 | 11 | 36 | 152 |

- Conclusion: Successfully completed all phases of testing for 9/9 migration
- 2 Integration Scripts (1.6 Receipt Processing & 2.10 AR Month End) will be tested for the 9/30 Release.

Open: Error has not been resolved

Closed: Error has been resolved and retested

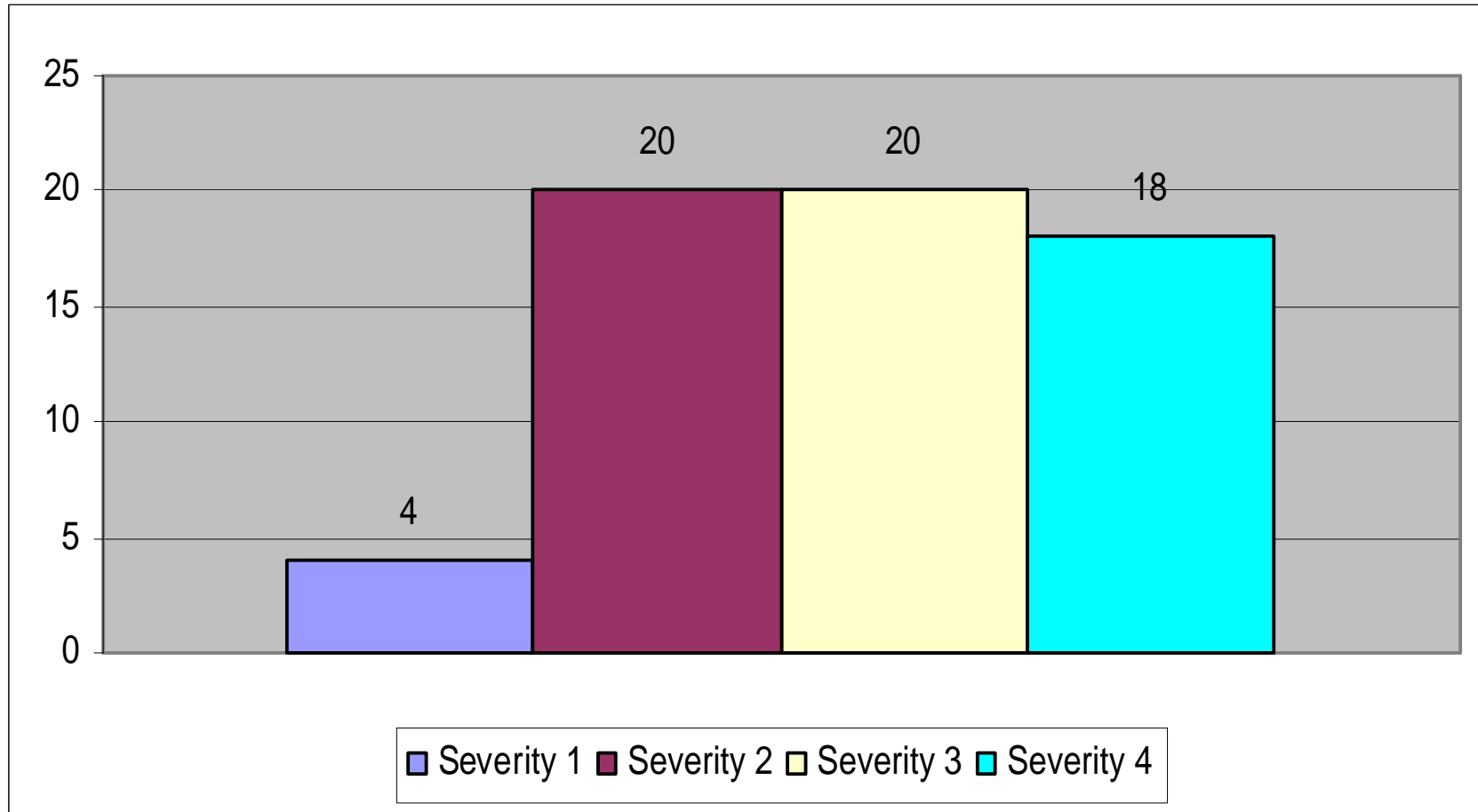
Duplicate: Identical issue was logged by another user, one SIR is being tracked

Retest: Feature has been tested successfully by testing team, but requires user retest



Testing Summary Continued

LaRS/FMS Integration Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

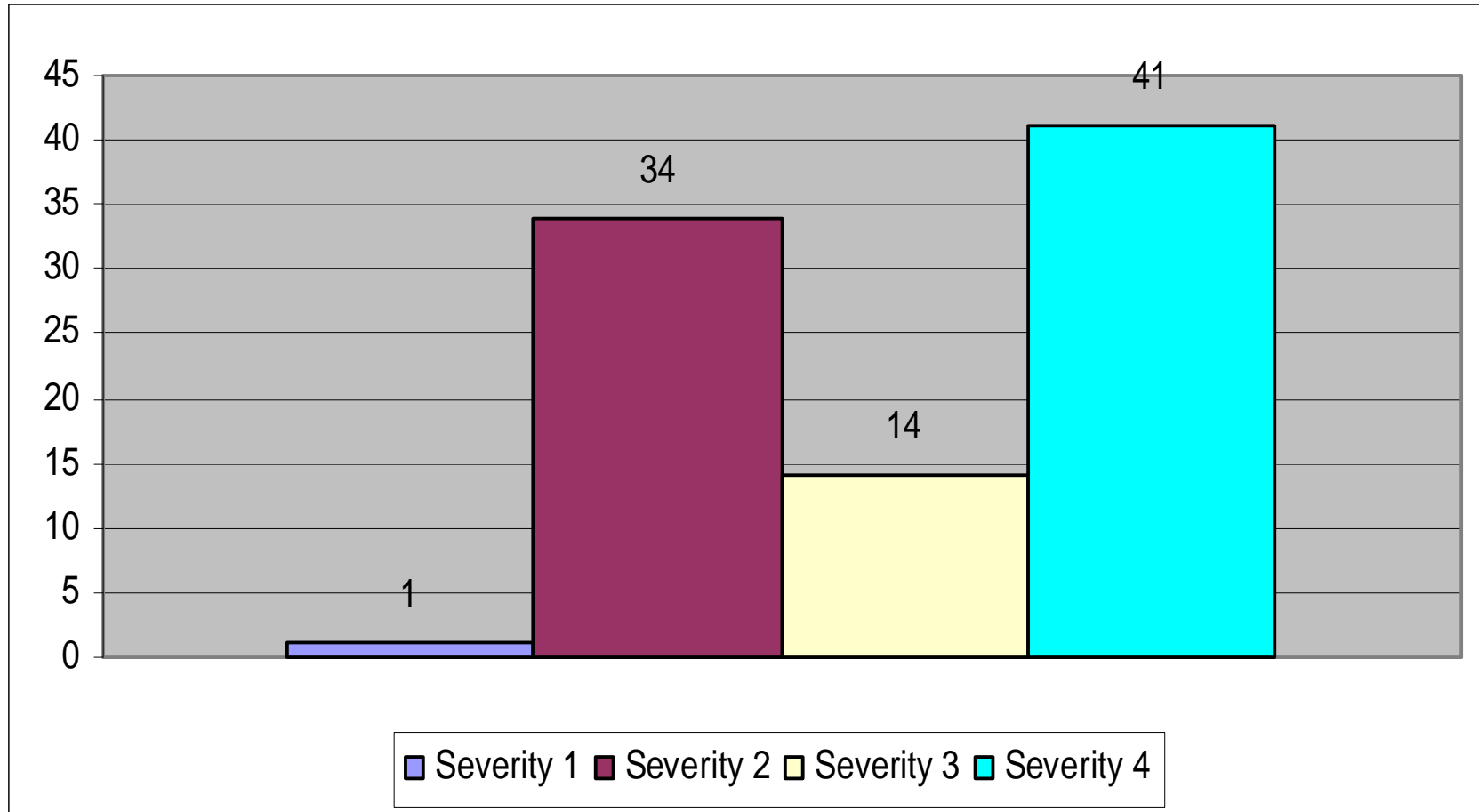
Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued

LaRS/FMS User Acceptance Test Incidents by Severity



Severity 1: Major Problem. System doesn't respond or crashes

Severity 2: Major feature halts. Incorrect results after execution.

Severity 3: Expectations of major feature not met. Workaround possible.

Severity 4: Feature executes correctly, but minor cosmetic changes needed.



Testing Summary Continued

- Current Open Integration SIRs
 - SIR 238 (Severity 2): Cannot Close AR Month of July. This SIR is related to the Posting Reclass code that will be migrated on 9/27. Code changes are being made to mark Receivable headers as posted.
 - SIR 352 (Severity 4): Cannot Close AP Period. All other script steps have passed. All AP close functionality was tested successfully in System Test. Cannot close period in INTCOM due to additional program testing. SIR is on-hold. Testing team recommends closing. Cannot be tested in INTCOM.
- Current Open UAT SIRs:
 - SIR 320 (Severity 4): The format of Invoice Import error email is too wide, making it hard to read and print. Will be re-formatted and included in 9/27 migration.
 - SIR 347 (Severity 2): Credit Memos need to be included in Posting reclass program. Will be tested and included in 9/27 migration.



Security

No changes were made to the existing FSA FMS security structure in terms of technical architecture. LaRS will be included in the FMS security plan and will exist in a separate schema within the FMS environment.

Potential external LaRS users will have to complete a paper registration and approval process to obtain access to LaRS. External users will not have access to FMS. Once data is submitted in LaRS, automated processes will convert data to FMS. Upon implementation of LaRS, users will be able to make updates to their information using the Profile screens.

Quality Assurance

Targeted IV&V documentation and process reviews were performed by the external IV&V team for A/R and its interface to LARS. The IV&V team operates independently of the Mod Partner program and met regularly with A/R, A/P and Lender Redesign teams to:

- Perform reviews and traceability analysis of project documentation, and a targeted sample of requirements.
- Closely monitored processes, test progress and SIR closure.
- Provided list of PRR issues for Resolution.



Collaboration

| Area | Responsible Party |
|-----------------------------|-----------------------|
| VDC | Mike Healy |
| Security | Ada Ruth McIntyre |
| FSA CIO | Tim Branner |
| Applications Maintenance | Shirley Singleton |
| Help Desk Readiness | Shirley Singleton |
| Users: FP Financial Mgmt | Frank Ramos |
| FMS Technical Architecture | Jeff Ross, Steve Kuhl |
| FSA CFO Accounting Division | Cynthia Heath |



Compliance

- Approach for Section 508 Standards:
 - COTS Mitigation: Oracle Corporation's accessibility program began in 1999. Details can be reviewed at <http://www.oracle.com/accessibility/summary.html>
 - July 2001: Secured Oracle letter of certification of 508 Compliance plan
 - June 2002: Confirmation received from Christine Williams that the current 508 compliance plan for FMS applies to LARS.



Summary & Outstanding Issues

- Second Release for 9/27
 - File Transfer Processing
 - Functionality not utilized until 10/1
 - Final Invoice Edit Changes
 - Functionality not utilized until 10/1
 - FMS Lockbox Interface
 - Import of receipts from Mellon Lockbox
 - Functionality not utilized until 10/1
 - FMS Posting Reclass Program
 - Current functionality does not mark Receivable headers as posted. This prevents AR Period close.
 - Functionality not utilized until 10/1.
 - LARS Help Text



Summary & Outstanding Issues

- LAP applications, OPA's and FMS Security Forms have not been completed for a large portion of the Lender community.
- Performance Testing to be completed on 9/6.
- The current account mapping may lead to reconciliation issues at month end if transactions have not been processed through the entire AP or AR processes.
 - The recommended changes to the account mapping will have impacts on other programs & therefore need to be addressed as Production Change Requests.



Summary & Outstanding Issues

- The following risks were discussed during the 5/21/02 Design Review session and were accepted:
 - Since updating/deleting approve records is allowed, there is a possibility that data on Table 30 might be altered after 799 forms have been submitted for the quarter or after rates have been sent to NSLDS for a given quarter.
 - The Lender process, both within LaRS and FMS AR/AP, is heavily dependent on email alerts/notifications for communication to the Lender community. This adds additional risk due to the dependency on accurate email addresses, functioning email networks, as well as, firewall filtering constraints.



Sign-Off Memorandum

| | <u>Name</u> | <u>Date</u> |
|---|-------------|-------------|
| CFO Office | | |
| Jim Lynch (Chief Financial Officer) | _____ | _____ |
| CIO Office | | |
| Steve Hawald (Chief Information Officer) | _____ | _____ |
| FP Channel | | |
| Johan Bos-Beijer (Deputy General Manager) | _____ | _____ |
| FMS | | |
| Shirley Singleton (FMS Director) | _____ | _____ |
| Quality Assurance | | |
| Mike Rockis | _____ | _____ |
| CSC FSA Account Executive: | | |
| Mike Healy | _____ | _____ |